

Message Text

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PAGE 01 STATE 043134
ORIGIN XMB-04

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DRAFTED BY EXIMBANK:CHAMMOND:LF
APPROVED BY NEA/ARN:MDRAPER
EXIMBANK:DGIANURCO

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FM SECSTATE WASHDC
TO AMEMBASSY BEIRUT IMMEDIATE

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FROM EXIM BANK

E.O. 11652: N/A

TAGS: EAID, ETRD, LE

SUBJECT: EXIM BANK FINANCING FOR LEBANON

REF: BEIRUT 786

1. EXIM BANK BELIEVES IT PREMATURE TO DISCUSS ANY NEW
FINANCING IN LEBANON UNTIL WE HAVE SATISFACTORY RESOLUTION
OF DELINQUENCY ON AN EXISTING CREDIT AND CLARIFICATION OF
SITUATION REGARDING CLAIMS PAID BY EXIM BANK TO U.S. BANKS
AND EXPORTERS UNDER GUARANTEE AND INSURANCE PROGRAMS.
FURTHER, IT APPEARS INAPPROPRIATE TO RESUME LENDING
ACTIVITIES UNTIL ECONOMIC/POLITICAL SITUATION HAS STABIL-
IZED TO EXTENT WE CAN FIND REASONABLE ASSURANCE OF REPAY-
MENT EXIM BANK'S LEGISLATION REQUIRES. EXIM BANK DOES NOT
ISSUE GENERAL LINES OF CREDIT; HOWEVER, WHEN SITUATION
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IMPROVES, EXIM BANK COULD CONSIDER LENDING FOR SPECIFIC
PROJECTS OR SPECIFIC EXPORT TRANSACTIONS IN LEBANON.

2. THE DELINQUENCY REFERRED TO IS ON CREDIT 2616 IN FAVOR
OF THE PTT FOR AN EARTH STATION GUARANTEED BY THE MINISTRY
OF FINANCE. AMOUNT DELINQUENT ON THIS CREDIT IS DOLS.
509,022.23 CONSISTING OF THREE INSTALLMENTS OF PRINCIPLE

AMOUNTS TO DOLS. 445,078.80 AND DOLS. 63,943.43 IN INTEREST.

FURTHER, PAYMENT IS DUE MARCH 1, 1977, WITH PRINCIPLE OF DOLS. 148,359.60 PLUS INTEREST OF DOLS. 22,071.02 FOR A TOTAL OF DOLS. 170,430.62.

3. CONCERNING CLAIMS EXIM BANK HAS PAID OUT DOLS. 1.45 MILLION UNDER 85 CLAIMS ALL DUE TO LOSSES UNDER WAR RISK. A FURTHER DOLS. 2.06 MILLION IN CLAIMS IS PENDING. WHILE EXIM BANK WILL PURSUE THESE CLAIMS AGAINST THE INDIVIDUAL OBLIGATORS, WE WOULD ALSO BE INTERESTED IN KNOWING WHAT PROVISION THE GOVERNMENT OF LEBANON MIGHT BE CONSIDERING FOR COVERING SUCH WAR LOSSES.

4. WE FEEL FIRST ORDER OF BUSINESS WOULD BE TO SETTLE THESE MATTERS, THIS APPLIES PARTICULARLY TO DELINQUENCY ON FINANCE MINISTRY PAYMENT. WE HAVE IMPRESSION SOCIETE NOUVELLE DE LA BANQUE DE SYRIE ET DU LIBAN WILL CONTINUE TO MAKE GOOD AS GUARANTOR ON PHOENICIA HOTEL CREDIT NO. 1090 WHICH HAD BEEN DELINQUENT.
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Message Attributes

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